

Committee on Ways and Means

United States-Oman Free Trade Agreement

U.S.-Oman FTA Critical to Advancing U.S. Trade and Middle East Policies

- **This Free Trade Agreement (FTA) is a model for the Persian Gulf region and beyond, providing some of the strongest market access and protections ever included in an FTA.**
 - Consumer and Industrial goods—100 percent duty free upon the FTA's entry into force.
 - Agriculture—All agricultural products are covered, with 87 percent of agricultural tariff lines gaining immediate duty-free access. Remaining tariffs are phased out over ten years.
 - Services—The agreement provides wide access and sets a strong precedent for opening up opportunities for services, where U.S. firms have a strong comparative advantage.
 - Intellectual Property Rights (IPR)—The FTA contains strong IPR protections vital to U.S. businesses.
- **Beyond trade, the FTA reinforces Oman's reforms and the strong U.S.-Oman alliance:**
 - Political Reforms—Oman has enacted reforms to increase public participation in government, extending voting rights for its Consultative Council to all citizens over the age of 21, and appointing women to key positions in its government, including the first female Ambassador from an Arab country appointed to serve in the United States.
 - Economic Reforms—Oman has enacted broad economic reforms to open itself to trade and investment and provide opportunities to its citizens. The *Economic Freedom of the World 2005* ranks Oman 17th of the 127 countries analyzed in terms of economic freedom, with the second highest ranking among all countries in the proposed Middle East Free Trade Area (MEFTA).
 - Labor Reforms—Oman enacted broad labor reforms in 2003 and, like Bahrain, has followed up with specific commitments to ensure that its laws provide strong protections for workers consistent with international standards and enact all these reforms by October 31, 2006. Oman has already acted on many of these reforms through a Royal Decree enacted on July 8, 2006.
 - Steadfast Ally—Oman and the United States have been allies for over 170 years. In 1980, following the Iranian Islamic revolution, Oman was the first Persian Gulf state to allow U.S. access to Omani military facilities. Oman hosted over 3,500 U.S. personnel during recent U.S. operations in Afghanistan and Iraq, serving as a critical launch point for missions that helped protect U.S. servicemen.
- **Support of this FTA is essential to show our commitment to the people of the Middle East and is an integral part of our efforts against terrorism:**
 - The 9/11 Commission Report—The report specifically cited our Middle Eastern FTAs and called for action on a "comprehensive U.S. strategy [that] should include economic policies that encourage development, more open societies and opportunities for people to improve the lives of their families and enhance the prospects of their children's future."
 - Signal to region's peoples and governments—The FTA is a critical part of the MEFTA initiative, and both the people and governments of the region will be watching closely to see how strongly we back our words of support with action.